



UNITED STATES DEPARTMENT OF COMMERCE
Bureau of Industry and Security
Washington, D.C. 20230

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

Hamilton Sundstrand Corporation
One Hamilton Road
Windsor Locks, Connecticut 06096- 10 10

Attn: Ronald McKenna
President and Chief Executive Officer

Dear Mr. McKenna:

The Bureau of Industry and Security, United States Department of Commerce (“BIS”), has reason to believe that Hamilton Sundstrand Corporation,* of Windsor Locks, Connecticut (“Sundstrand”), has committed 49 violations of the Export Administration Regulations (the “Regulations”),² which are issued under the authority of the Export Administration Act of 1979 (the “Act”).³ Specifically, BIS charges that Sundstrand committed the following violations:

¹ This charging letter consolidates violations that BIS alleges occurred by the Hamilton Sundstrand Corporation and its wholly owned subsidiaries, Ansimag Incorporated, the Milton Roy Company, and Sundyne Corporation (including Sundyne’s HMD/Kontro Sealless Pumps business unit in the United Kingdom).

² The Regulations are currently codified in the Code of Federal Regulations at 15 C.F.R. Parts 730-774 (2003). The violations charged occurred in 1997, 1998, 2000, and 2001. The Regulations governing the violations at issue are found in the 1997, 1998, 2000, and 2001 versions of the Code of Federal Regulations (15 C.F.R. Parts 730-774 (1997, 1998, 2000, 2001)). The Regulations define the violations that BIS alleges occurred and establish the procedures that apply to this matter.

³ From August 21, 1994 through November 12, 2000, the Act was in lapse. During that period, the President, through Executive Order 12924, which had been extended by successive Presidential Notices, the last of which was August 3, 2000 (3 C.F.R., 2000 Comp. 397 (2001)), continued the Regulations in effect under the International Emergency Economic Powers Act (50 U.S.C. §§ 1701 - 1707 (2000)) (“IEEPA”). On November 13, 2000, the Act was reauthorized and it remained in effect through August 20, 2001. Since August 21, 2001, the Act has been in lapse and the President, through Executive Order 13222 of August 17, 2001 (3 C.F.R., 2001 Comp. 783 (2002)), as extended by the Notice of August 14, 2002 (3 C.F.R., 2002 Comp. 306 (2003)), has continued the Regulations in effect under IEEPA. The Act and Regulations are available on the Government Printing Office website at: <http://w3.access.gpo.gov/bis/>.



Charges 1-25 15 C.F.R. § 764.2(a) - Conduct Prohibited by or Contrary to the Regulations - Unlicensed Exports or Reexports

As described in greater detail in Schedule A, which is enclosed herewith and incorporated herein by reference, on 25 occasions between on or about September 28, 1997, and on or about February 29, 2001, Sundstrand exported or reexported pumps subject to the Regulations (ECCN 2B350)⁴ to the destinations specified without obtaining the Department of Commerce licenses required by Section 742.2 of the Regulations. In doing so, Sundstrand committed 25 violations of Section 764.2(a) of the Regulations.

Charges 26-30 15 C.F.R. § 764.2(g) - False or Misleading Representations of Fact - False Statements on Shipper's Export Declarations Concerning Authority to Export

As described in greater detail in Schedule A, which is enclosed herewith and incorporated herein by reference, on five occasions between on or about February 25, 1998 and on or about August 4, 2000, Sundstrand filed or caused to be filed Shipper's Export Declaration.⁵ that stated the pump exported qualified for export from the United States as NLR ("No License Required"). The representations were false because, as described above, a license was required to export these items. In doing so, Sundstrand committed five violations of Section 764.2(g) of the Regulations.

Charges 31-41 15 C.F.R. § 764.2(g) - False or Misleading Representations of Fact - False Statements on Shipper's Export Declarations Concerning Authority to Export

As described in greater detail in Schedule A, which is enclosed herewith and incorporated herein by reference, on 11 occasions between on or about March 4, 1998 and on or about November 22, 2000, Sundstrand filed or caused to be filed Shipper's Export Declarations that stated the pump's ECCN was "EAR99."⁶ Each of these representations was false because, as described in Charges 1-25 above, the appropriate ECCN for the pumps was 2B350. In doing so, Sundstrand committed 11 violations of Section 764.2(g) of the Regulations.

⁴ ECCN refers to an "Export Control Classification Number." See Supp. 1 to 15 C.F.R. § 774.

⁵ Shipper's Export Declarations are export control documents, as defined in Part 772 of the Regulations.

⁶ EAR99 refers to items subject to the EAR that are not listed on the Commerce Control List. See 15 C.F.R. § 734.3(c).

Charges 42-45 15 C.F.R. § 764.2(a) - Conduct Prohibited by or Contrary to the Regulations - Failing to File Shipper's Export Declarations

As described in greater detail in Schedule A, which is enclosed herewith and incorporated herein by reference, on four occasions between on or about September 28, 1997 and on or about February 29, 2001, Sundstrand exported pumps subject to the Regulations to each destination specified without filing a Shipper's Export Declaration as required by Section 758 of the Regulations. In so doing, Sundstrand committed four violations of Section 764.2(a) of the Regulations.

Charge 46 15 C.F.R. § 764.2(a) - Conduct Prohibited by or Contrary to the Regulations - Failing to Provide Required Information on Shipper's Export Declaration

On or about February 25, 1998, Sundstrand filed or caused to be filed a Shipper's Export Declaration that failed to show the ECCN as required by Section 758 of the Regulations. In failing to show information required by Section 758 of the Regulations, Sundstrand violated Section 764.2(a) of the Regulations.

Charges 47-49 15 C.F.R. § 764.2(a) - Conduct Prohibited by or Contrary to the Regulations - Failing to Provide Required Information on Shipper's Export Declarations

As is described in greater detail in Schedule A, which is enclosed herewith and incorporated herein by reference, on three occasions between on or about April 14, 1998 and on or about May 18, 2000, Sundstrand filed or caused to be filed Shipper's Export Declarations that failed to show the license authority (license number, license exception, or No License Required). In failing to show information required by Section 758 of the Regulations, Sundstrand committed three violations of Section 764.2(a) of the Regulations.

Accordingly, Sundstrand is hereby notified that an administrative proceeding is instituted against it pursuant to Part 766 of the Regulations for the purpose of obtaining an order imposing administrative sanctions, including any or all of the following:

The maximum civil penalty allowed by law of \$11,000 per violation;

Denial of export privileges; and/or

Exclusion from practice before BIS.

⁷ See 15 C.F.R. § 6.4(a)(2).

If Sundstrand fails to answer the charges contained in this letter within 30 days after being served with notice of issuance of this letter, that failure will be treated as a default. See 15 C.F.R. §§ 766.6 and 766.7. If Sundstrand defaults, the Administrative Law Judge may find the charges alleged in this letter are true without a hearing or further notice to Sundstrand. The Under Secretary for Industry and Security may then impose up to the maximum penalty on the charges in this letter.

Sundstrand is further notified that it is entitled to an agency hearing on the record if Sundstrand files a written demand for one with its answer. See 15 C.F.R. § 766.6. Sundstrand is also entitled to be represented by counsel or other authorized representative who has power of attorney to represent it. See 15 C.F.R. §§ 766.3(a) and 766.4.

The Regulations provide for settlement without a hearing. See 15 C.F.R. § 766.18. Should you have a proposal to settle this case, your or your representative should transmit it to me through the attorney representing BIS named below.

The U.S. Coast Guard is providing administrative law judge services in connection with the matters set forth in this letter. Accordingly, Sundstrand's answer must be filed in accordance with the instructions set forth in Section 766.5(a) of the Regulations with:

U.S. Coast Guard ALJ Docketing Center
40 S. Gay Street, Baltimore, Maryland 21202-4022

In addition, a copy of Sundstrand's answer must be served on BIS at the following address:

Office of the Chief Counsel for Industry and Security
Attention: David C. Recker, Esq.
Room H-3839
United States Department of Commerce
1 4th Street and Constitution Avenue, N.W.
Washington, D.C. 20230

Hamilton Sundstrand Corporation
Charging Letter
Page 5 of 5

David C. Recker is the attorney representing BIS in this case. Any communications that you may wish to have concerning this matter should occur through him. He may be contacted by telephone at (202) 482-5301.

Sincerely,

Mark D. Menefee
Director
Office of Export Enforcement

Attachment: Schedule A

SCHEDULE A
SCHEDULE OF VIOLATIONS
HAMILTON SUNDSTRAND CORPORATION

VIOLATION	DATE (ON OR ABOUT)	ITEMS	VALUE	DESTINATION
1, 42	09/28/97	Milroyal B HPD Pumps	\$16,338.00	China
2, 43	01/12/98	LMV 322 Sundyne Pumps	\$38,818.00	Taiwan
3	01/22/98	K-Series Pumps	\$1,575.00	Israel
4, 26, 46	02/25/98	Km-Series Pump	\$3,955.00	Israel
5, 31	03/04/98	K-Series Pump	\$2,661.25	Israel
6, 47	04/14/98	Milroyal C HPD & H Series Pumps	\$40,544.00	Taiwan
7, 32	05/22/98	Km- Series Pumps	\$6,715.09	Israel
8, 33	05/28/98	Kc-Series Pumps	\$10,380.00	Israel
9, 34	05/28/98	K&Km-Series Pumps	\$13,205.00	Israel
10, 35	06/01/98	K-Series Pumps	\$2,588.75	Israel
11, 36	06/03/98	K-Series Pumps	\$14,833.00	Saudi Arabia
12, 37	06/30/98	K-Series Pumps	\$13,459.00	Israel
13, 27	07/02/98	K-Series Pumps	\$6,636.00	Israel
14, 28	07/19/98	K-Series Pumps	\$51,814.00	Israel
15, 48	07/22/98	Milroyal C HPD & H Series Pumps	\$40,544.00	Taiwan

VIOLATION	DATE (ONORABOUT)	ITEMS	VALUE	DESTINATION
16, 38	08/12/98	K-Series Pump	\$5,970.00	Israel
17, 29	08/14/98	K-Series Pumps	\$4,245.00	Israel
18, 39	09/10/98	K-Series Pumps	\$12,596.00	Israel
19, 44	09/21/98	K-Series Pump	\$2,600.00	Israel
20, 40	10/16/98	K-Series Pumps	\$22,920.00	Israel
21, 49	5/18/00	K-Series Pumps	\$4,675.00	Reexport from U.K. to Germany to Saudi Arabia
30	08/04/00	Spare parts for K-Series Pumps	\$16,576.80	Taiwan
22, 41	11/22/00	K-Series Pumps	\$9,225.00	Reexport from U.K. to Saudi Arabia
23	12/23/00	KM Series Pumps	\$3,450.00	Israel
24	02/05/01	KM Series Pumps	\$33,288.00	Israel
25, 45	02/29/01	K-Series Pumps	\$6,030.00	Reexport from U.K. to Saudi Arabia

UNITED STATES DEPARTMENT OF COMMERCE
BUREAU OF INDUSTRY AND SECURITY
WASHINGTON, D.C. 20230

In the Matter of:)
)
HAMILTON SUNDSTRAND CORPORATION)
One Hamilton Road)
Windsor Locks, Connecticut 06096-1010,)
)
Respondent.)

SETTLEMENT AGREEMENT

This Settlement Agreement (“Agreement”) is made by and between Respondent, Hamilton Sundstrand Corporation (“Sundstrand”), and the Bureau of Industry and Security, United States Department of Commerce (“BIS”) (collectively referred to as “Parties”), pursuant to Section 766.18(a) of the Export Administration Regulations (currently codified at 15 C.F.R. Parts 730-774 (2003)) (“Regulations”),² issued pursuant to the Export Administration Act of 1979, as amended (50 U.S.C. app. §§ 2401-2420 (2000)) (“Act”),³

¹ This Agreement relates to violations BIS alleges occurred by the Hamilton Sundstrand Corporation and its wholly owned subsidiaries, Ansimag Incorporated, the Milton Roy Company, and Sundyne Corporation (including Sundyne’s HMD/Kontro Sealless Pumps business unit in the United Kingdom).

² The Regulations are currently codified in the Code of Federal Regulations at 15 C.F.R. Parts 730-774 (2003). The violations charged occurred in 1997, 1998, 2000, and 2001. The Regulations governing the violations at issue are found in the 1997, 1998, 2000, and 2001 versions of the Code of Federal Regulations (15 C.F.R. Parts 730-774 (1997, 1998, 2000, 2001)). The Regulations define the violations that BIS alleges occurred and establish the procedures that apply to this matter.

³ From August 21, 1994 through November 12, 2000, the Act was in lapse. During that period, the President, through Executive Order 12924, which had been extended by successive Presidential Notices, the last of which was August 3, 2000 (3 C.F.R., 2000 Comp. 397 (2001)), continued the Regulations in effect under the International Emergency Economic Powers Act (50 U.S.C. §§ 1701 - 1707 (2000)) (“IEEPA”). On November 13, 2000, the Act was reauthorized

WHEREAS, BIS has notified Sundstrand of its intention to initiate an administrative proceeding against Sundstrand, pursuant to the Act and the Regulations;

WHEREAS, BIS has issued a proposed charging letter to Sundstrand that alleged that Sundstrand committed 49 violations of the Regulations, specifically:

1. *25 Violations of 15 C. F.R. § 764.2(a) - Conduct Prohibited by or Contrary to the Regulations - Unlicensed Exports or Reexports:* Between on or about September 28, 1997, and on or about February 29, 2001, Sundstrand exported or reexported pumps subject to the Regulations (ECCN 2B350)⁴ to various destinations without obtaining the Department of Commerce licenses required by Section 742.2 of the Regulations.
2. *Five Violations of 15 C.F.R. § 764.2(g) - False or Misleading Representations of Fact - False Statements on Shipper's Export Declarations Concerning Authority to Export:* Between on or about February 25, 1998 and on or about August 4, 2000, Sundstrand filed or caused to be filed Shipper's Export Declarations' that stated the pump exported qualified for export from the United States as NLR ("No

and it remained in effect through August 20, 2001. Since August 21, 2001, the Act has been in lapse and the President, through Executive Order 13222 of August 17, 2001 (3 C.F.R., 2001 Comp. 783 (2002)), as extended by the Notice of August 14, 2002 (3 C.F.R., 2002 Comp. 306 (2003)), has continued the Regulations in effect under IEEPA. The Act and Regulations are available on the Government Printing Office website at: <http://w3.access.gpo.gov/bis/>.

⁴ ECCN refers to an "Export Control Classification Number." See Supp. 1 to 15 C.F.R. § 774.

⁵ Shipper's Export Declarations are export control documents, as defined in Part 772 of the Regulations.

License Required”). The representations were false because a license was required to export these items.

3. *II Violations of 15 C.F.R. § 764.2(g) - False or Misleading Representations of Fact - False Statements on Shipper’s Export Declarations Concerning Authority to Export:* Between on or about March 4, 1998 and on or about November 22, 2000, Sundstrand filed or caused to be filed Shipper’s Export Declarations that stated the pump’s ECCN was “EAR99.”⁶ Each of these representations was false because the appropriate ECCN for the pumps was 2B350.
4. *Four Violations of 15 C.F. R. § 764.2(a) - Conduct Prohibited by or Contrary to the Regulations - Failing to File Shipper’s Export Declarations:* Between on or about September 28, 1997 and on or about February 29, 2001, Sundstrand exported pumps subject to the Regulations to various destinations without filing a Shipper’s Export Declaration as required by Section 758 of the Regulations.
5. *One Violation of 15 C.F.R. § 764.2(a) - Conduct Prohibited by or Contrary to the Regulations - Failing to Provide Required Information on Shippers Export Declaration:* On or about February 25, 1998, Sundstrand filed or caused to be filed a Shipper’s Export Declaration that failed to show the ECCN as required by Section 758 of the Regulations.

⁶ EAR99 refers to items subject to the EAR that are not listed on the Commerce Control List. See 15 C.F.R. § 734.3(c).

6. *Three Violations of 15 C.F.R. § 764.2(a) - Conduct Prohibited by or Contrary to the Regulations - Failing to Provide Required Information on Shipper's Export Declarations:* Between on or about April 14, 1998 and on or about May 18, 2000, Sundstrand filed or caused to be filed Shipper's Export Declarations that failed to show the license authority (license number, license exception, or No License Required), as required by Section 758 of the Regulations.

WHEREAS, Sundstrand has reviewed the proposed charging letter and is aware of the allegations made against it and the administrative sanctions which could be imposed against it if the allegations are found to be true;

WHEREAS, Sundstrand fully understands the terms of this Agreement and the Order ("Order") that the Assistant Secretary of Commerce for Export Enforcement will issue if she approves this Agreement as the final resolution of this matter;

WHEREAS, Sundstrand enters into this Agreement voluntarily and with full knowledge of its rights;

WHEREAS, Sundstrand states that no promises or representations have been made to it other than the agreements and considerations herein expressed;

WHEREAS, Sundstrand neither admits nor denies the allegations contained in the proposed charging letter;

WHEREAS, Sundstrand wishes to settle and dispose of all matters alleged in the proposed charging letter by entering into this Agreement; and

WHEREAS, Sundstrand agrees to be bound by the Order, if entered;

NOW THEREFORE, the Parties hereby agree as follows:

1. BIS has jurisdiction over Sundstrand, under the Regulations, in connection with the matters alleged in the proposed charging letter.
2. The following sanction shall be imposed against Sundstrand in complete settlement of the violations of the Regulations set forth in the proposed charging letter:
 - a. Sundstrand shall be assessed a civil penalty in the amount of \$171,500 which shall be paid to the U.S. Department of Commerce within 30 days from the date of entry of the Order.
 - b. The timely payment of the civil penalty agreed to in paragraph 2.a. is hereby made a condition to the granting, restoration, or continuing validity of any export license, permission, or privilege granted, or to be granted, to Sundstrand. Failure to make timely payment of the civil penalty set forth above shall result in the denial of all of Sundstrand's export privileges for a period of one year from the date of imposition of the penalty.
3. Subject to the approval of this Agreement pursuant to paragraph 8 hereof, Sundstrand hereby waives all rights to further procedural steps in this matter (except with respect to any alleged violations of this Agreement or the Order, if entered), including, without limitation, any right to: (a) an administrative hearing regarding the allegations in the proposed charging letter; (b) request a refund of any civil penalty paid pursuant to this Agreement and the Order, if entered; and (c) seek judicial review or otherwise contest the validity of this Agreement or the Order, if entered.

4. Upon entry of the Order and timely payment of the \$171,500 civil penalty, BIS will not initiate any further administrative proceeding against Sundstrand in connection with any violation of the Act or the Regulations arising out of the transactions identified in the proposed charging letter.

5. BIS will make the proposed charging letter, this Agreement, and the Order, if entered, available to the public.

6. This Agreement is for settlement purposes only. Therefore, if this Agreement is not accepted and the Order is not issued by the Assistant Secretary of Commerce for Export Enforcement pursuant to Section 766.18(a) of the Regulations, no Party may use this Agreement in any administrative or judicial proceeding and the Parties shall not be bound by the terms contained in this Agreement in any subsequent administrative or judicial proceeding.

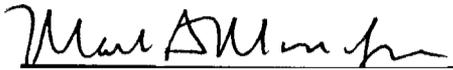
7. No agreement, understanding, representation or interpretation not contained in this Agreement may be used to vary or otherwise affect the terms of this Agreement or the Order, if entered, nor shall this Agreement serve to bind, constrain, or otherwise limit any action by any other agency or department of the United States Government with respect to the facts and circumstances addressed herein

8. This Agreement shall become binding on BIS only if the Assistant Secretary of Commerce for Export Enforcement approves it by entering the Order, which will have the same force and effect as a decision and order issued after a full administrative hearing on the record.

9. Each signatory affirms that he has authority to enter into this Settlement Agreement and to bind his respective party to the terms and conditions set forth herein.

BUREAU OF INDUSTRY AND SECURITY
U.S. DEPARTMENT OF COMMERCE

HAMILTON SUNDSTRAND CORPORATION



Mark D. Menefee
Director
Office of Export Enforcement



Michael A. Monts
Vice President and General Counsel

Date: 6/27/03

Date: June 25, 2003

UNITED STATES DEPARTMENT OF COMMERCE
BUREAU OF INDUSTRY AND SECURITY
WASHINGTON, D.C. 20230

In the Matter of:)
)
HAMILTON SUNDSTRAND CORPORATION)
One Hamilton Road)
Windsor Locks, Connecticut 06096- 1010,)
)
Respondent.)

ORDER

The Bureau of Industry and Security, United States Department of Commerce (“BIS”) having notified Hamilton Sundstrand Corporation (“Sundstrand”)’ of its intention to initiate an administrative proceeding against Sundstrand pursuant to Section 766.3 of the Export Administration Regulations (currently codified at 15 C.F.R. Parts 730-774 (2003)) (“Regulations”), and Section 13(c) of the Export Administration Act of 1979, as amended (50 U.S.C. app. §§ 2401-2420 (2000)) (“Act”)*, based on the proposed charging letter issued to Sundstrand that alleged Sundstrand committed 49 violations of the Regulations. Specifically, the charges are:

¹ This Order relates to violations BIS alleges occurred by the Hamilton Sundstrand Corporation and its wholly owned subsidiaries, Ansimag Incorporated, the Milton Roy Company, and Sundyne Corporation (including Sundyne’s HMD/Kontro Sealless Pumps business unit in the United Kingdom).

² From August 21, 1994 through November 12, 2000, the Act was in lapse. During that period, the President, through Executive Order 12924, which had been extended by successive Presidential Notices, the last of which was issued on August 3, 2000 (3 C.F.R., 2000 Comp. 397 (2001)), continued the Regulations in effect under the International Emergency Economic Powers Act (50 U.S.C. §§ 1701 - 1707 (2000)) (“IEEPA”). On November 13, 2000, the Act was reauthorized and it remained in effect through August 20, 2001. Since August 21, 2001, the Act has been in lapse and the President, through Executive Order 13222 of August 17, 2001 (3 C.F.R., 2001 Comp., 783 (2002)), as extended by the Notice of August 14, 2002 (3 C.F.R., 2002 Comp. 306 (2003)), has continued the Regulations in effect under IEEPA.

1. *2.5 Violations of 15 C. F. R. § 764.2(a) - Conduct Prohibited by or Contrary to the Regulations - Unlicensed Exports or Reexports:* Between on or about September 28, 1997, and on or about February 29, 2001, Sundstrand exported or reexported pumps subject to the Regulations (ECCN 2B350)³ to various destinations without obtaining the Department of Commerce licenses required by Section 742.2 of the Regulations.
2. *Five Violations of 15 C. F. R. § 764.2(g) - False or Misleading Representations of Fact - False Statements on Shipper's Export Declarations Concerning Authority to Export:* Between on or about February 25, 1998 and on or about August 4, 2000, Sundstrand filed or caused to be filed Shipper's Export Declarations⁴ that stated the pump exported qualified for export from the United States as NLR ("No License Required"). The representations were false because a license was required to export these items.
3. *11 Violations of 15 C.F.R. § 764.2(g) - False or Misleading Representations of Fact - False Statements on Shipper's Export Declarations Concerning Authority to Export:* Between on or about March 4, 1998 and on or about November 22, 2000, Sundstrand filed or caused to be filed Shipper's Export Declarations that

³ ECCN refers to an "Export Control Classification Number." See Supp. 1 to 15 C.F.R. § 774.

⁴ Shipper's Export Declarations are export control documents, as defined in Part 772 of the Regulations.

stated the pump's ECCN was "EAR99."⁵ Each of these representations was false because the appropriate ECCN for the pumps was 2B350.

4. *Four Violations of 15 C. F.R. § 764.2(a) - Conduct Prohibited by or Contrary to the Regulations - Failing to File Shipper's Export Declarations:* Between on or about September 28, 1997 and on or about February 29, 2001, Sundstrand exported pumps subject to the Regulations to various destinations without filing a Shipper's Export Declaration as required by Section 758 of the Regulations.
5. *One Violation of 15 C.F.R. § 764.2(a) - Conduct Prohibited by or Contrary to the Regulations - Failing to Provide Required Information on Shippers Export Declaration:* On or about February 25, 1998, Sundstrand filed or caused to be filed a Shipper's Export Declaration that failed to show the ECCN as required by Section 758 of the Regulations.
6. *Three Violations of 15 C. F. R. § 764.2(a) - Conduct Prohibited by or Contrary to the Regulations - Failing to Provide Required Information on Shipper's Export Declarations:* Between on or about April 14, 1998 and on or about May 18, 2000, Sundstrand filed or caused to be filed Shipper's Export Declarations that failed to show the license authority (license number, license exception, or No License Required), as required by Section 758 of the Regulations.

⁵ EAR99 refers to items subject to the EAR that are not listed on the Commerce Control List. See 15 C.F.R. § 734.3(c).

BIS and Sundstrand having entered into a Settlement Agreement pursuant to Section 766.18(a) of the Regulations whereby they agreed to settle this matter in accordance with the terms and conditions set forth therein, and the terms of the Settlement Agreement having been approved by me;

IT IS THEREFORE ORDERED:

FIRST, that a civil penalty of \$17 1,500 is assessed against Sundstrand, which shall be paid to the U.S. Department of Commerce within 30 days from the date of entry of this Order. Payment shall be made in the manner specified in the attached instructions.

SECOND, that, pursuant to the Debt Collection Act of 1982, as amended (31 U.S.C. §§ 3701-3720E (2000)), the civil penalty owed under this Order accrues interest as more fully described in the attached Notice, and, if payment is not made by the due date specified herein, Sundstrand will be assessed, in addition to the full amount of the civil penalty and interest, a penalty charge and an administrative charge, as more fully described in the attached Notice.

THIRD, that the timely payment of the civil penalty set forth above is hereby made a condition to the granting, restoration, or continuing validity of any export license, license exception, permission, or privilege granted, or to be granted, to Sundstrand. Accordingly, if Sundstrand should fail to pay the civil penalty in a timely manner, the undersigned may enter an Order denying all of Sundstrand's export privileges for a period of one year from the date of entry of this Order.

FOURTH, that the proposed charging letter, the Settlement Agreement, and this Order shall be made available to the public.

This Order, which constitutes the final agency action in this matter, is effective immediately.



Lisa A. Prager
Acting Assistant Secretary of Commerce
for Export Enforcement

Entered this 7 8 day of 20 July